



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 14, 2008

Certified Return Receipt Requested
7005 2570 0000 4801 7147

David Penny
Earth's Partner's
2400 East 30 So
PO Box 1671
Beaver, Utah 84713-1186

Subject: Division Directive, Earth's Partners, Munchkin 1-2-3, S/001/0066, Beaver County, Utah

Dear Mr. Penney:

There are deficiencies in your Notice of Intent and the reclamation surety for the above referenced mine that need to be rectified. Your original NOI was accepted in 2004 for up to 2 acres of disturbance. A reclamation surety of \$2,700 was provided to the BLM in 2005. This surety has not been adjusted since then to account for increased area of disturbance or increased reclamation costs (inflation) and does not name the Division as a co-beneficiary.

Within 30 days of receipt of this letter, you are hereby directed to:

- Amend your NOI by providing a map and narrative which describe the current disturbance (and acreage) and where you intend to operate for the next 1-5 years.
- Revise your reclamation surety by increasing the amount to an appropriate level (\$6,300 for up to one acre and an addition \$3,900 for each additional acre).
- Have the Division named as a co-beneficiary with the BLM.

Note, if you continue with a cash bond posted with the BLM, their rules may not allow the Division to be named as co-beneficiary. To resolve this, you will need to have the BLM submit a letter to the Division which states that the BLM will not release all or part of the reclamation surety without the Division's written consent. If you wish to change the form of surety to a letter of credit, certificate of deposit, or a surety bond, please contact Penny Berry at (801) 538-5291 or email bondcoordinator@utah.gov to obtain the appropriate form.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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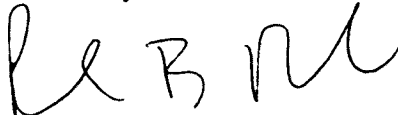
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David Penney
Earth's Partners, LLC
S/001/0066
October 13, 2008

- As part of updating the reclamation surety, you will also be required to sign a reclamation contract. Please contact Penny Berry to obtain this document.

Failure to provide the amended NOI and update the reclamation surety as directed may result in enforcement action being taken by the Division which may include withdrawal of your permit and an order to commence reclamation of the site immediately.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5261 or Tom Munson at 801-538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written over the printed name.

Paul B. Baker
Minerals Program Manager

PBB:tm:vs

cc: ep7@xmission.com
ed_ginouves@blm.gov
Penny Berry, DOGM

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